

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman; and
Robert G. Taub

Competitive Product Prices
International Business Reply Service Competitive
Contract 3 (MC2011-21)
Negotiated Service Agreement

Docket No. CP2014-28

NOTICE AND ORDER CONCERNING ADDITIONAL
INTERNATIONAL BUSINESS REPLY SERVICE
COMPETITIVE CONTRACT 3 NEGOTIATED SERVICE AGREEMENT

(Issued February 19, 2014)

I. INTRODUCTION

On February 14, 2014, the Postal Service filed notice pursuant to 39 CFR 3015.5 announcing that it has entered into an additional International Business Reply Service Competitive Contract 3 (IBRS 3) negotiated service agreement (Agreement).¹ The Agreement is the successor agreement to the contract previously approved in Docket No. CP2013-50.² The Postal Service seeks to have the Agreement included within the

¹ Notice of the United States Postal Service Filing of a Functionally Equivalent International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, February 14, 2014 (Notice).

² Docket No. CP2013-50, Order No. 1668, Order Approving New International Business Reply Service Competitive Contract 3 Agreement, February 25, 2013.

existing IBRS 3 product on grounds of functional equivalence to the baseline agreement filed in Docket Nos. MC2011-21 and CP2011-59.³

II. POSTAL SERVICE FILING

Background. The Postal Service filed its Notice, along with four attachments, pursuant to 39 CFR 3015.5. The attachments consist of:

- Attachment 1—a redacted version of the Agreement;
- Attachment 2—a certified statement required by 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 08-24; and
- Attachment 4—an application for non-Public treatment of materials filed under seal.

Functional equivalency. The Postal Service asserts that the Agreement is substantially similar to the baseline agreement filed in Docket Nos. MC2011-21 and CP2011-59 because it shares similar cost and market characteristics and meets criteria in Governors' Decision No. 08-24 concerning attributable costs. Notice at 4. The Postal Service further asserts that the functional terms of the Agreement and the baseline agreement are the same and the benefits are comparable. *Id.* It states that prices offered under the Agreement may differ due to volume or postage commitments and when the Agreement is signed (due to updated costing information), but asserts that these differences do not alter the functional equivalency of the Agreement and the baseline agreement. *Id.* at 5.

The Postal Service also identifies differences between the terms of the two agreements, but asserts that these differences do not affect the fundamental service being offered or the fundamental structure of the Agreement. *Id.*

Effective date; term. The contract previously approved in Docket No. CP2013-50 is set to expire February 28, 2014 and the intended effective date for the Agreement is

³ *Id.* at 3. See also, Docket Nos. MC2011-21 and CP2011-59, Order No. 684, Order Approving International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, February 28, 2011.

March 1, 2014. *Id.* at 3. The Agreement will remain in effect for two calendar years, unless terminated sooner pursuant to contractual terms. *Id.*, Attachment 1 at 4.

III. COMMISSION ACTION

The Commission establishes Docket No. CP2014-28 for consideration of matters raised by the Postal Service's Notice. Interested persons may submit comments on whether the Agreement is consistent with the requirements of 39 CFR 3015.5 and the policies of 39 U.S.C. 3632 and 3633. Comments are due no later than February 26, 2014. The public portions of this filing can be accessed via the Commission's website, <http://www.prc.gov>. Information on how to obtain access to material filed under seal appears in 39 CFR 3007.40.

The Commission appoints Curtis E. Kidd to serve as Public Representative in the captioned proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2014-28 for consideration of matters raised in the Postal Service Notice.
2. Comments by interested persons in this proceeding are due no later than February 26, 2014.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Curtis E. Kidd to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary